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Message Text

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ACTION NEA-10

INFO OCT-01 AF-10 ISO-00 L-03 EB-08 CIAE-00 DODE-00
PM-05 H-01 INR-10 NSAE-00 NSC-05 PA-01 SP-02
SS-15 ICA-11 OPIC-03 STR-07 COME-00 /092 W
----------011249 141224Z /10/14
R 131227Z APR 78
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 7932
INFO AMEMBASSY ABU DHABI
AMCONSUL ALEXANDRIA
AMEMBASSY AMMAN
AMEMBASSY BEIRUT
AMEMBASSY DAMASCUS
AMEMBASSY DOHA
AMEMBASSY JIDDA
AMEMBASSY KHARTOUM
AMEMBASSY KUWAIT
AMEMBASSY MANAMA
AMEMBASSY MUSCAT
AMEMBASSY SANA
AMEMBASSY TEL AVIV

C O N F I D E N T I A L SECTION 01 OF 02 CAIRO 10727

C O R R E C T E D C O P Y (TEXT--NUMEROUS LINES SKIPPED)

E.O. 11652: GDS
TAGS: ETRD, XF
SUBJ: PROPOSALS TO REMOVE SEVERAL AMERICAN FIRMS FROM
- ARAB BLACKLIST

REF: STATE 90993

1. E/C COUNSELOR MADE ORAL PRESENTATION ON SUBJECT TO
MFA DIRECTOR OF PALESTINE (AND BOYCOTT) AFFAIRS SCHARRAF
APRIL 12, DRAWING AS APPROPRIATE ON POINTS SET FORTH
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REFTEL. MFA OFFICIAL PROVIDED SUBSTANTIAL AMOUNT OF
INFORMATION WHICH INDICATES GOE IS TAKING ACTIVE ROLE
IN PUSHING FOR REMOVAL FROM BLACKLIST OF COKE, FORD AND
XEROX. HE SAID ARAB LEAGUE MEETING ON BOYCOTT IS NOT
SCHEDULED AT EARLY DATE, HOWEVER (INFORMATION WHICH WAS
CONFIRMED INDEPENDENTLY BY GOE DELEGATE TO LEAGUE),
AND SITE IS NOT YET DETERMINED.

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2. ACCORDING SCHARRAF, GOE HAS BEEN ACTIVE BEHIND SCENES IN PUSHING FOR DE-BLACKLISTING OF COCA COLA, FORD AND XEROX AT NEXT LEAGUE MEETING ON BOYCOTT MATTERS. GOE'S INITIATIVES INCLUDE BILATERAL DISCUSSIONS WITH MOST OF AL MEMBERS IN EFFORT TO BUILD WHAT HE TERMED NECESSARY MAJORITY FOR REMOVAL AND DISCREET COACHING OF AFFECTED FIRMS ON HOW BEST TO APPROACH CBO IN MAKING THEIR OWN CASES. HE NOTED THAT THESE ACTIONS HAVE BEEN TAKEN, DESPITE DELICACY OF ISSUE AT THIS PARTICULAR TIME, IN VIEW OF GOOD RELATIONS WITH U. S. AND ALSO AS MEANS TO FURTHER ATMOSPHERE OF PEACE INITIATIVE. SCHARRAF SUGGESTED THAT USG MAKE DEMARCHES TO OTHER ARAB CAPITALS SIMILAR TO ONE BEING MADE BY EMBOFF (HE WAS INFORMED THAT SUCH WAS BEING DONE) AND THAT BLACKLISTED COMPANIES ALSO APPROACH GOVERNMENT OFFICIALS IN THOSE CAPITALS. HE COMMENTED ON HARDLINE POLICIES OF CBO, BUT VOLUNTEERED THAT THERE MAY SOON BE CHANGES IN LEADERSHIP OF OFFICE.

3. MFA OFFICIAL SAID RESULTS OF GOE LOBBYING ARE NOT YET IN; HE INDICATED GENERAL OPTIMISM ON CHANCES FOR SUCCESS, HOWEVER, AND NOTED SIGNIFICANCE OF FACT THAT, IN HIS READING, SAUDIS ARE NOT OPPOSED TO REMOVAL OF THREE FIRMS FROM LIST. XEROX CASE, DUE TO CIRCUMSTANCES (WHICH HE DID NOT ELABORATE), IS EASIEST; MAJORITY WITHIN LEAGUE FOR DE-BLACKLISTING IS PRACTICALLY ASSURED. COCA
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COLA'S PROSPECTS ARE GOOD, TOO, WITH WHAT APPEARS TO BE SAUDI AND SUDANESE SUPPORT FOR COMPANY'S REMOVAL. FORD IS MORE DIFFICULT CASE, ACCORDING SCHARRAF, DUE LARGELY TO ITS FAILURE TO FOLLOW GOE ADVICE ON APPROACH TO CBO: FORD EVIDENTLY IN SOME FASHION USED INAPPROPRIATE LANGUAGE IN ITS COMMUNICATION TO CBO WHICH HAS HEIGHTENED OPPOSITION, THUS DISCOMFITING AND EMBARRASSING GOE.

4. RCA IS NOT UP FOR CONSIDERATION AT NEXT BOYCOTT MEETING, ACCORDING SCHARRAF, AND NO EFFORTS HAVE BEEN MADE IN ITS BEHALF. HE INDICATED RCA HAD MADE "MISTAKE" OF NOT PROPOSING INVESTMENT PROJECT IN EGYPT.

5. NEITHER DATE NOR PLACE FOR FORTHCOMING MEETING HAVE BEEN SET AS YET. IT COULD TAKE PLACE IN NEXT TWO OR THREE MONTHS, BUT NOT EARLIER. SITES MENTIONED HAVE BEEN SANA, KHARTOUM AND JIDDA, BUT SCHARRAF THINKS IT LIKELY THAT CAIRO, AS SEAT OF LEAGUE AND LEADING ARAB CAPITAL, WILL END UP AS CITY CHOSEN FOR MEETING.

6. EGYPTIAN REP TO ARAB LEAGUE BASHIR, IN CONVERSATION WITH POL COUNS SAME DAY, ESSENTIALLY CONFIRMED INFORMATION

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ON NEXT BOYCOTT MEETING. BASHIR SAID HE HAS PURPOSE-
FULLY DEFLECTED PRESSURES FOR EITHER A REGULAR BOYCOTT
MEETING OR CONSIDERATION OF QUESTION WITHIN LEAGUE,
CITING LIKELY SYRIAN AND OTHER REJECTIONIST INSISTENCE
ON STRICT ADHERENCE TO RULES OR EVEN TOUGHER MEASURES.
EGYPT, HE SAID, WISHES TO APPLY BOYCOTT IN MILDER WAY,
PERMITTING REMOVAL FROM BLACKLIST OF FIRMS WHOSE INVEST-
MENT IN ARAB COUNTRIES EXCEEDS THAT IN ISRAEL. NO BOY-
COTT MEETING THEREFORE IS SCHEDULED FOR "FORESEEABLE
FUTURE."

7. COMMENT: MFA OFFICIAL'S COMMENTS ARE FIRMEST INDICA-
TION WE HAVE HAD THAT GOE IS PURSUING LINE OF ACTION
DESIGNED TO EFFECT REMOVAL FROM LIST OF CERTAIN U. S.
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FIRMS OF INTEREST TO EGYPT. (ADDRESSEES WILL RECALL

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AMEMBASSY SANA

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AMEMBASSY TEL AVIV

C O N F I D E N T I A L SECTION 02 OF 02 CAIRO 10727

C O R R E C T E D C O P Y (TEXT--NUMEROUS LINES SKIPPED)

THAT FORD AND COCA COLA HAVE SIGNED AGREEMENTS FOR PROJECT ACTIVITIES WITH GOE.) SCHARRAF STATED THAT HE WOULD MAKE EARLY REPORT ON CONVERSATION WITH EMBOFF TO FONMIN AND MINSTATE FOR FONAFFAIRS. AMBASSADOR WILL TAKE EARLY OPPORTUNITY TO SEEK CONFIRMATION OF AND FURTHER COMMENT ON GOE'S APPARENTLY HELPFUL INITIATIVE WITH RESPECT TO BOYCOTT. DISCRETION SEEMINGLY CONTINUES TO BE THE WATCHWORD OF GOE ACTIONS, BUT ACTIONS THERE EVIDENTLY HAVE BEEN, DESPITE AWKWARDNESS OF ARAB CAMP BEING IN STATE OF UNUSUAL DISARRAY AT PRESENT TIME.
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8. NOTE: SCHARRAF STRESSED TO E/C COUNSELOR CONFI-DENTIALITY OF INFORMATION HE WAS IMPARTING AND REQUESTED THAT IT BE CLOSELY HELD, AT LEAST AS TO GOE AS SOURCE. EMBASSY WOULD APPRECIATE HIS ADMONITION BEING HEEDED.
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Decaption Date: 01 jan 1960
Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
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To: STATE
Type: TE
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